

February 8, 2007

Dear Mr. Snow,

Mr. Lester Snow, Director

CALIFORNIA DEPARTMENT OF WATER RESOURCES
1416 Ninth Street, Room 1115-I
Post Office Box 942836
Sacramento, CA 94236-0001

Board of Directors

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C. Michael Cowett Best Best & Krieger LLP General Counsel SUBJECT: PROPOSITION 50, CHAPTER 8, SUPPORT OF DWR AND SWRCB ADDITIONAL FUNDING REQUEST

On January 23rd and January 30th, the California Department of Water Resources (DWR) and the State Water Resources Control Board (SWRCB) held workshops in Northern and Southern California to present their recommendations for additional projects to be funded under the first funding cycle of State Proposition 50, Chapter 8 Implementation Grant Program. On behalf of Rancho California Water District, as well as numerous stakeholders throughout the Santa Ana region, we are fully supportive of the DWR and SWRCB Proposition 50 Implementation Grant additional funding recommendations. This action effectively leverages local funds that are available to implement the projects now, recognizes the significant effort and expense associated with preparing meritorious grant applications through the two-step grant application process, and addresses concerns regarding the north-south funding split. We believe this recommendation for increased first round funding is based on the best interests of the State.

Beyond any other region in the state, the rapidly growing population and development in the Santa Ana Watershed has placed increased strains upon critical water infrastructure to serve water demands. The projects included in the SAWPA grant application will help to address these needs to assure water reliability and drought protection for the future. In addition, by the use of the integrated regional management approach spearhead originally by SAWPA, multiple benefits to water supply, water quality improvement and environmental restoration will be implemented.

As a stakeholder and strong supporter of the Santa Ana IRWMP and the priority projects for the region included in its Proposition 50, Chapter 8 IRMWP grant application, we support the findings of DWR staff and SWRCB staff that believe that it is important to support the SAWPA grant submittal and other Step 2 grant applicants for inclusion in the first funding cycle of Proposition 50.

Sincerely,

RANCHO CALIFORNIA WATER DISTRICT

Stephen Corona

President, Board of Directors

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